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Tips on passing the CFP exam from those who have been there

By Rob Burgess
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While the process of preparing for the CFP exam can be expensive, time-consuming and nerve-racking, there are ways to make it less unpleasant and more successful.

The test is offered three times a year — in March, July and November — at 265 testing centers across the country.

The pass-or-fail exam involves 170 multiple-choice questions during two three-hour sections over a single day. These involve both stand-alone questions and case studies.

Here's the valuable advice those who have been there before have to offer those looking to pass.

Don't panic

Joseph Torre, a financial advisor with Colarossi & Williams Financial Advisory Group in Islandia, New York, passed the exam on the first try in March. He said the best advice he could give someone sitting through the test is simple: Don't panic.

"Of course, this is so much easier said than done, but you have to go in knowing that there will be topics that you have never studied before," he said. "This is not due to a lack of studying, this is just the nature of the exam. Once you are confronted with one of these questions, don't allow yourself to become panicked. Take a few deep breaths, remind yourself that you are worthy of passing the exam and keep going."

Melissa A. Caro, founder of the platform My Retirement Network, a digital media company, said the journey is much more than just the exam, but "a learning process that takes time and commitment."

"There are no shortcuts with the CFP," she said. "If you put in the work and truly understand the concepts, you'll be able to apply them on test day. Although you might never feel completely prepared, remember to slow down a few days before the exam. Rest is essential. Your brain will need it. I made sure to get a good night's sleep, left early for the test center and brought lunch so I could focus entirely on the exam without distractions."

Zack Gutches, founder and lead financial planner at True Riches Financial Planning in Aurora, Colorado, said being able to apply concepts is the most important aspect of passing the test. However, keeping a running, page-length

list of important terms and acronyms that can be reviewed in the minutes before the exam starts is helpful.

"Do something restful that you're good at the day before the test," he said. "No studying allowed. This will give you the utmost confidence going into exam day; feeling refreshed. Let's face it: By exam day, you either understand the material or you don't."

Jen Swindler, founder of Money Illustrated in Bluffdale, Utah, said she tracked study time, aiming for a minimum of 250 quality hours.

"Don't count the time that wasn't productive," she said.

Before studying or sitting down at the test itself, Swindler said she found meditations — especially through the Headspace app, which has study and test-focused meditations in its library — to be extremely helpful in moderating her stress levels.

"I think it's difficult to test well if you're extremely stressed and anxious," she said. "Just put in the time and try to be calm. Trust yourself and the work you've done to prepare. … Try to pace yourself. If you know a question will take a long time, select an answer, flag it and come back if you have time later."

Take courses, of course

Richard Lahn, a financial advisor with The Pinnacle Financial Group in Melville, New York, said he had been putting off the test for years before he took it and passed on the first try in March.

"Take the CFP Board practice test," he said. "It felt very close to the exam. I took the practice test the day before my exam as my last review and I don't think I would have passed without it."

Swindler said she found it helpful to go through the test bank questions and practice exams repeatedly.

"If I kept struggling with certain questions or topics, I'd go back to the books and review those sections," she said. "I strongly feel that the questions helped prepare me for the exam format more than any other type of study I did."

C. Garrett Moore, a financial advisor with Moore Financial Management in Bradenton, Florida, said his main piece of advice would be to invest in an "excellent course for the educational component, and then to top it off with a review course."

"This is dry, tedious material, and if your courses are the same way, you will be banging your head against your desk and doing yourself a huge disservice," he said.

Moore said he failed on his first try because he didn't find the program he used to be engaging.

"I didn't apply myself seriously enough," he said. "This exam is a doozy."

On his second time around, Moore used a review course from Brett Danko Educational Center "and it made all the difference in the world."

"The exam covers a huge amount of material, and Brett does an outstanding job of distilling it all down to what you really need to know," he said. "Confidence is also key. As Brett says, 'You are not taking the exam, you are passing the exam.'"

Another popular training option is offered through Zahn Associates.

"Follow the Zahn and the Zahn will set you free," said Darin R. Shebesta, a financial advisor with Possibility Wealth Advisors in Scottsdale, Arizona.

Glenn J. Downing, founder and principal of CameronDowning in Miami, taught both the certification curriculum and the live review classes at Zahn Associates for 16 years.

"The best tip I can give is to ascertain what domain of financial planning the question is in, and find an answer in that same domain," he said. "For example, if in the question you're working with a new client, then any recommendation answer would be incorrect. When preparing, and you're taking prep exams, take each incorrect answer as a gift, because it shines a spotlight onto a weak area. Furthermore, when reviewing, be sure to also review the questions you got right so that you can see why you guessed correctly."

The study materials may not look like the test, and that's OK

Moore said when he was studying, he didn't spend time on "absurdly complicated stuff that was likely to make up a very small portion of the exam, such as the very complex math formulas."

"When I got to them on the exam, I acknowledged that I didn't know them, immediately moved on, and spent my time ensuring I got all of the layups," he said.

David Flores Wilson, the managing partner of Sincerus Advisory in New York, said when he was preparing for the exam, the concepts in the tax section study material questions were largely compartmentalized away from the concepts in other sections like estate planning and insurance.

However, on the exam, the tax questions were much more realistic in that concepts from different subjects were integrated within all the other sections.

"Whether it's when studying for the exam or giving practical financial planning advice, looking through financial planning issues through multiple lenses can

yield better outcomes," he said. "Anyone sitting for the CFP should be commended as lifelong learning is an integral step to improving the craft of financial planning and making an impact on people's lives through giving financial planning advice. At the end of the day, how you perform on one exam isn't going to make or break your career. I don't think a client has decided to work with me because I had a particular certification or designation, but they can be one of many ways to go deeper on strategies that can at some point help people with their financial planning."

Emily Balmages, director of financial planning at Warren Street Wealth Advisors in Irvine, California, said memorization and a thorough understanding of the CFP Board's Code of Ethics and Standards of Conduct is essential.

"Not only will this be crucial for passing the exam, but it will also serve as a solid foundation for building a successful career as a financial planner," she said.